

NARA COMPENSATION
QUESTIONNAIRE NOTEST-79
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I. Compensation System:

What is compensation approach? (How organization manages and why)
Under the authority of Public Law 99-574, the NIST implemented its new compensation system on 1/1/88.

Under this new system, they have contracted with the HAY Group (a private compensation consulting firm) to provide total compensation data from the private sector. The Hay/Huggins Benefits Value Comparison (BVC) is used to perform a quantitative analysis of the value of the benefits provided by the employer. The unit of measure is (a) the rate of the expected use of the benefits, times (b) the expected value of the benefits, times (c) the duration of the receipt of the benefit. The HAY Group took a sample of the NIST's four career path jobs and evaluated them using their proprietary point factor system. Based on the point scores, the Hay Group compared the NIST's jobs to Hay's large survey data base and calculated the cost to reach market parity based on both salary and benefits. This was calculated as a percent of base salary because they can not change their benefits package themselves.

A. Hire at, above, or below market salary rates, recruitment bonuses used?

1. Entry vs. senior level hires. In the past, NIST found that their top offers have been as much as \$20,000 below the offers new PhD graduates were receiving. However, because the salary growth seemed to be fairly flat in the private sector compared to the growth in the GS system, NIST has found they have been more competitive at senior non managerial levels. With their new pay band system and its greater entry pay flexibility (now they can hire as high the top of the pay band III which is the top step of GS-12), they hope they will be more competitive for new PhD graduates.

B. Geographic vs. national pay schedules and why. Have one pay schedule for both Maryland and Boulder, Colorado.

C. What are special compensation programs for supervisors and non-managerial staff?

To relieve severe pay compression, on 1/1/88 when the new pay system was implemented, they gave all S&E Division Chiefs a pay boost of 6%, and S&E Group Leaders a boost of 3%; their new system has a built in 6% pay band ceiling differential for supervisors.

D. Pay adjustments—Based on market, profitability or ?

1. Increase or Salary Management?

Use increase management which is mandated by the legislation.

2. Frequency

Increases are Annual.

3. Merit increase distributions (common date or Anniversary? exceptions or mid-years) based on individual's performance.

Common Date: Comparability increase (General Increase) in January.

Performance pay increase based on performance rating in October.

4. Amount of increase tied to performance?

The October increase is tied to performance.

5. Can non-supervisory pay equal or exceed executive pay?

(dual ladder-have it; your views)

In the research areas only, they have a dual ladder through pay band V. They also have a few non-supervisory "3104's" which can go as high as \$72,500.

6. Lead, lead/lag or lag; market target at x % +/- market?

They use the PAT survey projected to January, the beginning of their salary year. This translates to lag/lag which they use because of budget constraints

E. How important is uniformity of pay across different business lines and organizations?

Their pay is consistent across the organization. Because of their commitment to keep the the Demonstration project budget neutral, they would have to take monies away one sector in order to give more to another.

1. Uniformity

2. Flexibility

3. Problems/Issues

F. Roughly what portion of total compensation is bonuses or other forms of at-risk pay?

Have had performance bonuses for a long time--cash paid out at the end of the year. Also have a recruiting allowance, and a retention allowance of up to \$10,000 which has been tried only once.

G. What is purpose of putting pay at risk?

H. Who can make exception to your start salary rules? What can they change?

1. National office only? (What can they waive?)

2. Division VP?

3. Manager/Supervisor?

I. Added Compensation for passing clearance (lifestyle restrictions--can't publish, etc.). No.

employees? No.

1. Do have it?
2. Who is eligible and under what circumstances?

K. What do you disclose about your pay system to employees?

1. Classification descriptions? Yes.
2. Rate ranges? Yes.
3. Policies/procedures? Yes.
4. Individual pay rates? Yes, pay rates are available under the Freedom of Information Act.
5. Other?

II. RECRUITING APPROACH

What do you sell to recruit staff?

New Graduates:/Experienced: The principal attraction of NIST is the work; it is very capitivating. Employees can do specialized research in various technological fields, and the NIST may be the only place where some of this specialized work can be done.

- A. Salary
- B. Benefits including deferred compensation
- C. Career with firm
- D. Opportunity to work with latest technology
- E. Importance of projects, to?
- F. Profit sharing
- G. Perquisites (work environment)
- H. Ability to work with first class organization (yours)
 - a. best minds Sometimes a good selling point.
 - b. at cutting edge, or?
 - c. ?
- I. New Grad training program?
- J. Any other thoughts/concepts?

III. Special Recruiting-New PhD or experienced?

What would do to attract a world class talent (PhD in Mathematics, MIT - exception, not pipeline talent. For high level managerial positions, in the past they have put together search teams of high level private sector people to help.

A. Would you make exception to your normal classification /compensation rules? They don't really have flexibility to make exceptions.

B. If so, on what basis?

1. Work environment
2. How much flexibility to keep a hook in them?
3. Conflict of interest issues? Competition?

C. How do you pay top people?

1. Pros/Cons or problems in your system Have difficulty in paying top people well. Would like to have more "3104's" and be able to pay more than \$72,500 for exceptional non-supervisors, and have the SES cap raised \$73,400 for supervisors.

IV. Workforce Concept

What kind of workforce concept are you operating under?

A. Lifetime career, no layoff? Generally hope to have employees make their careers at NIST.

B. Only for duration of project? They do have a guest program where people work at NIST for a short time and then return to their employers.

C. Hire cutting edge recruits from school; edge out with slow raises after a few years, or? N/A.

D. Fully experienced, proven talent from other organizations? Hire a lot of senior people because they can compete at higher levels.

E. Government/Military as a source? Very rarely.

F. Revitalization of burned-out people? If so what, what conditions? No.

V. Employee Mobility

Do you move your professional staff? What levels? (e.g. Management only? Technical)? Don't move people back and forth between Maryland and Colorado. The work types are different.

A. What problems, if any, are you having?

B. What solutions are you using that work best?

C. How do you keep transferees whole?

1. Family
2. Spouse
3. Second wage earner
4. Schools
5. Other
6. Additional services offered?

VI. General Support

Do you have:

A. Second career support - Outplacement activity/consultant?

Yes, they have used a couple of outplacement contractors in periods of RIF's and have had an extensive outplacement program.

- B. Do you rely on short term "borrowing" of staff from research organizations/universities. etc. (conditions 18-24 months; person goes back to prior job) - Conflict of interest, sabbatical issues? Yes a lot.
Allen, your thoughts.

- C. Flexible Benefits (Upper mid-level to below Officer) No.